

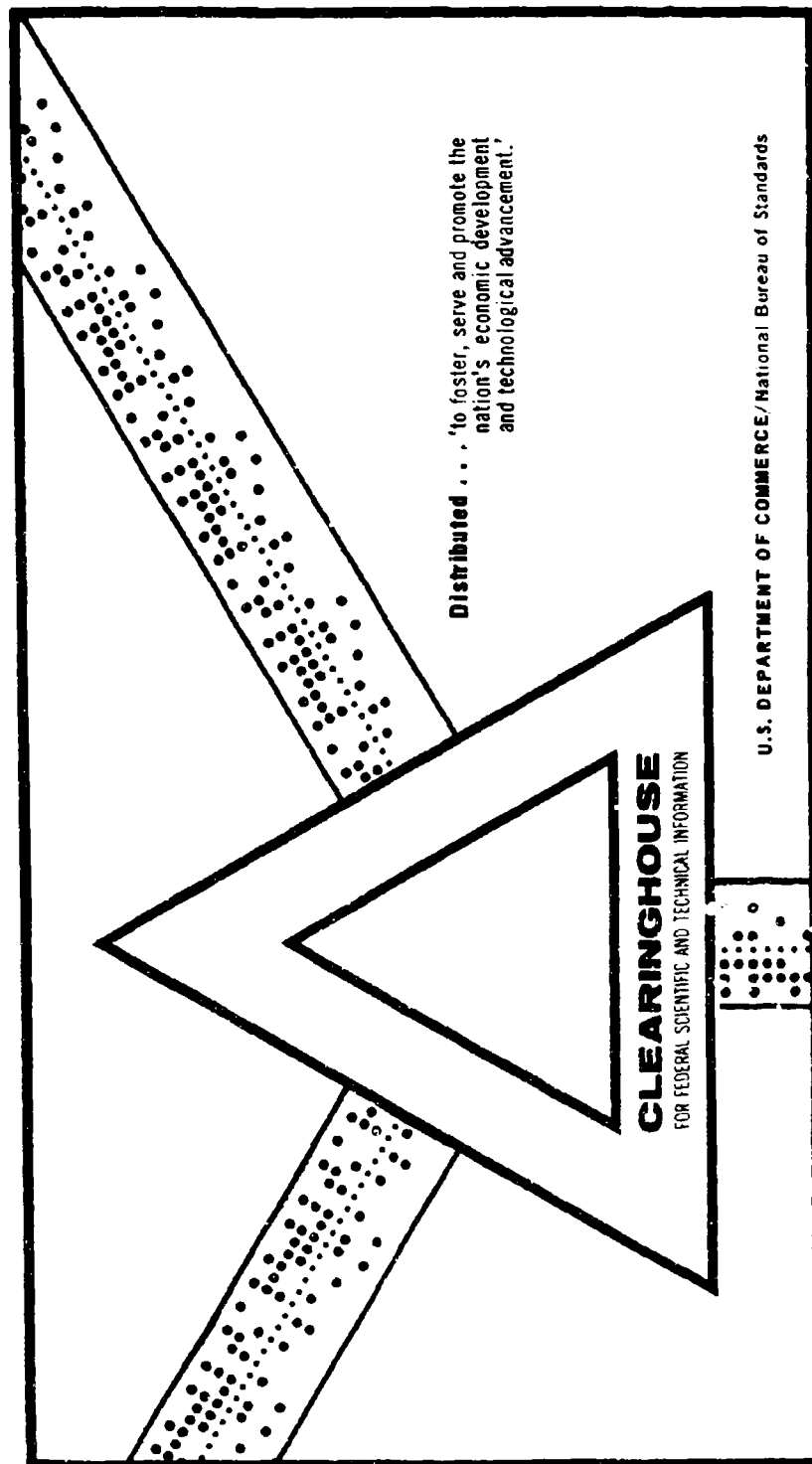
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POLICY ANALYSIS IN INTERNATIONAL AFFAIRS

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PREFACE

This paper was prepared at the request of the Subcommittee on Economy in Government of the Joint Economic Committee. It was published by the Committee in June 1969, in a three volume compendium of papers entitled, The Analysis and Evaluation of Public Expenditures: The PPB System.

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POLICY ANALYSIS IN INTERNATIONAL AFFAIRS

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I. INTRODUCTION

Foreign affairs is almost the last hideout of the intuitionists who distrust and dislike attempting to subject the political affairs of men to systematic analysis. For domestic political issues, the potential of analysis has been both observed and accepted (along with its limitations). But for problems that cross our national borders even strong advocates of analysis elsewhere are dubious. Thomas C. Schelling, for example, has commented:

I should like to see the Department of State enjoy the benefits of modern analytical techniques of the kind Secretary Entoven has brought to the Department of Defense, as well as other kinds. But I cannot--I wish I could, but I cannot--declare with any confidence that this can be done.... Foreign affairs is complicated and disorderly; its conduct depends mainly on the quality of the people who have responsibility; decisions have to be based on judgments, often too suddenly to permit orderly analytical processes to determine those decisions.¹

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This paper was prepared for the Subcommittee on Economy in Government of the Joint Economic Committee, Congress of the United States, 91st Congress, 1st Session.

¹Thomas C. Schelling, "PPBS and Foreign Affairs," memorandum prepared at the request of the Subcommittee on National Security and International Operations, Committee on Government Operations, U.S. Senate, 90th Cong., first sess. (Washington: Government Printing Office, 1968) pp. 9-10.

This paper explores some of the reasons underlying such skepticism concerning the role of analysis in international affairs, and sets forth some simple guidelines for increasing its usefulness in the future.

Foreign affairs never was primarily a question of reinsurance treaties and diplomatic covenants. This is perhaps clearer today than in the past. To be sure the diplomatic game still includes such stuff, but increasingly it also involves the wide range of particular programs and policies that we are engaged in elsewhere in the world: defense, trade, economic assistance, information gathering and dissemination, international financial matters, and scientific cooperation, among others. All of these activities together are what foreign affairs is about. Moreover, trends in technology, economics, and culture all make inevitable a high, and probably growing, level of international involvement which will persist despite our current flirtation with some of the trappings of neoisolationism. Accordingly the subject of this paper is the application of analysis to foreign affairs, broadly defined.

In the past 20 years, the U.S. Government has responded to our increased involvement abroad by making major institutional changes. New agencies have been created to carry out new functions, and there has been a gradual evolution in the style with which we do our foreign business. But this response has not been enough, especially with respect to the ways in which foreign policy decisions are made and carried out. However, our central concern in this paper is a more limited one: the state of analysis in international affairs and how this analysis and its use might be improved. Since policy analysis can be usefully examined only in relation to the mechanism for reaching and implementing policy decisions, we also touch on organizational problems. Our purpose in this paper is not to deal with any of the many substantive issues the United States faces in the world but rather to seek out ways of improving the capacity of the U.S. Government to deal with these issues.

A final point of clarification: the term "analysis" does not conjure up in our minds visions of computers, and it should not do so in

the minds of our readers. What we mean by analysis is more orderly, comprehensive treatment of problems, and this is a job for people, not computers.

II. ANALYTIC PROBLEMS AND APPROACHES

Politics is an unusually difficult subject, and international politics is especially so. The interactions between international and domestic interests, national defense and foreign affairs, trade and aid, bureaucratic and substantive considerations, means and ends are extremely complex. Some of the difficulty arises from the fact that foreign affairs comprises many classes of problems of widely differing character. And for many of these problems, there are strict limits to what can be done, limits imposed by a fundamental absence of knowledge about crucial relationships. And hard data are often missing. But some of the difficulty arises from the fact that all too often we do not make the best of the knowledge we have--or might be able to acquire.

Types of Problems

In matters involving programs, where specific activities are carried out involving the expenditure of funds, there is a prima facie case for being able to do a certain kind of analysis. The logic of economizing behavior can be applied. At least one can describe the proximate "outputs" of programs, often quantitatively, compare alternative ways of achieving these proximate outputs--and perhaps invent new ones--and enhance program effectiveness relative to program cost by better choice among alternatives. For problems such as flood control and power production on the Mekong River, or the signal density of Voice of America's radio coverage, or fertilizer production in India, there is much that can be done, and is being done, by way of analysis at this level. It is not always easy to do nor is it necessarily always well done; there are more than a few economic development or defense projects that have received justified criticism. Moreover, some programs involving sizable sums of money do not lend themselves

to direct and concrete analysis even of a narrow sort. It is no small task to assess the effectiveness of Voice of America broadcasts to Eastern Europe or the consequences of providing program loans (i.e., balance-of-payments support) to the Government of India.

Whatever the ease or difficulty in analyzing programs in this sense, programs are not ends in themselves. They relate to such broader U.S. purposes as strengthening our security, sometimes as specifically as getting concessions in return (e.g., base rights), sometimes as generally as energizing other governments to take internal measures to promote their development and internal stability. Assessing programs in terms of their contribution to such broader objectives is usually quite difficult. For that reason it is often not attempted at all. The objectives themselves are often vague, the functional relationships connecting program activities to these objectives are difficult to specify, and relevant data are often poor or even nonexistent. But clearly it is these higher purposes that are of greatest interest to U.S. policymakers.

Other problems do not directly involve program activities at all, or do so only in small part. Such policy areas might include efforts to control the spread of nuclear weapons, or to decrease the probability of conflict in the Middle East, or to improve our trade relations with foreign countries. Specific programs play a minor role compared with a wider set of nonprogram aspects.

It is our view that much can be done not only on "program" but also on these broader "policy" matters to improve the quality of analysis bearing on decisions. But what can be done, and how, will depend on the kinds of issues at stake.

A. Budgetary Issues

Program decisions inescapably involve budgetary outlays. Thus, the budget provides the most convenient occasion for tackling many issues. For foreign affairs and related national security the sums involved, of course, are very large. Outlays for international affairs

and national security programs are expected to total \$85 billion in fiscal year 1970, 44 percent of the Federal budget (see Table 1). From one point of view, the aggregate of the resources available for these programs, the entire \$85 billion, is available to be allocated in the most efficient way to our various international and related security purposes. Thus, we might, in principle, aspire to define a set of highest level objectives in weighted value terms (or better yet, a set of alternative ones), devise mixes of military, economic, propaganda, intelligence, and other programs to meet these objectives, and choose the mix that promises the best performance within the budget available. To do so explicitly is overly grandiose. Yet implicit in budgetary decisions is the view that the purposes are right, that the sums to spend for these purposes are about right, and that these are the right programs to support.

There is much controversy at the present time about the magnitude of these sums and especially the amounts allocated to military programs. Questions are being raised about the extent of our foreign commitments, the contingencies for which we should be prepared, the structure of our military forces, the size and character of our AID program, the allocation of resources among regions and countries. Also, are our various programs mutually consistent? What are the theories or beliefs and the underlying evidence in support of the budget allocation? How certain are we about these theories and beliefs? What contrary hypotheses or beliefs, and programs, might be advanced, and what is the evidence for them?

These are legitimate, indeed necessary, questions to address. But the foreign affairs-national security budget is not constructed in a unitary way nor is it subjected to the kind of systematic process we have suggested. Rather, it is an assemblage of largely independent components, and some important ones receive relatively little analysis.

But other components, mainly large parts of the defense budget, are subjected to systematic analysis today. The quality of the analysis is variable, and sometimes--and inevitably--bad decisions get made. Nevertheless, there is a serious effort to address precisely the kinds

Table 1

INTERNATIONAL AFFAIRS AND NATIONAL SECURITY PROGRAMS
(Outlays in millions of dollars)

Program or agency	1968 actual	1969 estimate	1970 estimate
International affairs:			
Conduct of foreign affairs:			
Department of State.....	339	358	370
U.S. Arms Control and Disarmament Agency.....	11	10	10
Tariff Commission.....	4	4	4
Foreign Claims Settlement Com- mission.....	1	1	1
Economic and financial programs:			
Agency for International Develop- ment.....	1,936	2,092	1,973
International financial insti- tutions.....	201	140	216
Export-Import Bank.....	790	165	140
Peace Corps.....	111	106	110
Other.....	15	22	26
Food for freedom.....	1,204	1,037	925
Foreign Information and Exchange Activities:			
U.S. Information Agency.....	187	191	195
Department of State and other.....	66	53	41
Subtotal, international affairs.	4,864	4,180	4,011
National security:			
Department of Defense--military ¹	77,373	77,790	78,471
Military assistance ¹	654	610	529
Atomic energy ¹	2,466	2,451	2,571
Defense-related activities.....	139	282	171
Subtotal, national security.....	80,632	81,134	81,742
Total.....	85,496	85,314	85,753

¹Entries net of offsetting receipts.

Source: The Budget of the United States Government: Fiscal Year
1970 (Washington: Government Printing Office 1969), pp. 73, 82.

of questions we have stated (of course, at a greater level of concreteness and detail). And some comparable analysis is also done in other program areas, for example, on some economic development programs.

However, there is a shortage of analysis which cuts across budgetary categories and organizational lines. The funds included in this \$85 billion are administered by a dozen different agencies, and their appropriations sometimes appear out of line with their responsibilities. For example, the Department of State, the agency charged with coordinating foreign affairs, receives less than one-half of 1 percent of the total budget, much of this for administrative expenses and salaries of Foreign Service personnel. But many of our problems do not come packaged in the way Congress appropriates funds or the executive branch administers them.

Yet budget decisions are policy decisions. Budget decisions on bilateral versus multilateral aid, military lift capacity versus foreign bases, nuclear versus nonnuclear military forces, food aid versus money, Latin America versus Africa, all have profound policy implications. The fragmentation of budget decisionmaking within many agencies means the absence of a consistent policy input to these decisions. The importance of an essentially unified national security budget to the management and policy innovations in the defense side of international affairs has often been stressed. Schelling has commented:

When Secretary McNamara assumed office, he was at least 15 years ahead of where the Secretary of State is now in having a recognized budget. There is a "defense budget;" there is not a "foreign affairs budget." Both legally and traditionally the defense budget is fairly clearly defined; around the edges there are the Atomic Energy Commission, some space activities, perhaps the Maritime Commission, that one may wish to lump into a comprehensive "defense total," and over which the Secretary of Defense does not exercise direct budgetary authority.... The Secretary of Defense makes an annual comprehensive presentation of his budget...it is a "state of the Union" insofar as national security is concerned. The committees in Congress that deal with the defense budget have no doubt about what budget it is they are considering.

Not so the Secretary of State, whose own budget of about a third of a billion a year corresponds, to take a very crude analogy, to the budget that the Secretary of Defense might present for the Pentagon building and the people who work in it.²

²Schelling, "PPBS and Foreign Affairs," memorandum, op. cit., pp. 4-5.

Some modest steps have been taken toward integrated foreign affairs program budgeting during the past two budget cycles. During the review for the fiscal year 1969 budget, the Budget Bureau began systematically consulting the regional Assistant Secretaries of State on interagency program issues arising out of various agency PPB submissions. During the past year, a few interagency papers for individual countries were prepared on an experimental basis. These papers dealt with U.S. objectives and the resource inputs of the major foreign affairs agencies devoted to achieving these objectives. The joint State/AID Latin American Bureau has made the most progress in this area through its country analysis and strategy papers (CASP), prepared in the field each year on the basis of guidance from Washington. Finally, during the fiscal year 1970 budget review process (fall 1968), the Budget Bureau used the Senior Interdepartmental Group (SIG) and the subsidiary Interdepartmental Regional Group (IRG) as forums to inform member foreign affairs agencies of budget issues affecting international affairs.³

Charles J. Zwick, then Budget Director, recognized both the limited nature of this progress and the obstacles to further progress when he commented last May, "Because of our concern for the complexities of the problems, we are moving forward pragmatically and deliberately."⁴ To be sure, the steps taken have been in the right direction, but they do not take the executive branch very far down the road toward consolidated consideration of foreign affairs budget matters.

³As a result of the new administration's reorganization of the national security process centering on the National Security Council, the SIG and the IRG, as such, no longer exist. However, the reorganization provides for forums whose membership is essentially the same as the SIG and IRG. Hence, the precedent established for using these forums to air budget issues is by no means insignificant.

⁴Charles J. Zwick, "Commentary on Recent Developments in the Planning, Programming, and Budgeting System," in "Budget Bureau Guidelines of 1968," Planning-Programming-Budgeting, Subcommittee on National Security and International Operations, Committee on Government Operations of the U.S. Senate, 90th Cong., second sess. (Washington: Government Printing Office, 1968), p. 19.

B. Country Issues

Many of the most important policy issues involve selecting and trying to reach objectives with the governments of other countries. Programs and policies serving U.S. global objectives have to be tailored to the conditions obtaining in individual countries. And U.S. programs in foreign countries, whatever our reasons for conducting them, usually must be acceptable to host governments. We can assume that the need to structure U.S. programs in light of these requirements will persist.

Thus, we need to examine the full range of interests and objectives we have with respect to a given country, the full range of policies and programs we are using to try to reach these objectives, the effectiveness of these policies and programs, and their consistency with each other. Alternative means of pursuing U.S. objectives in individual countries must be weighed in terms of their likely costs (in both monetary and nonmonetary form) and benefits. There are also the effects of our policies on third countries and the effects of the problems of third countries on us. Some of these country issues are treated during relevant budget reviews, but clearly the scope of these issues is not limited to budgetary decisions.

The great majority of the information for foreign policy decision-making is collected in--and collectable only in--country form. This includes information that is economic (GNP, prices, balance of payments), political (attitudes, power relationships), and social (literacy rates, birth rates). Even where such information relates to the achievement of global or regional objectives, it must be first analyzed on an individual country basis and, to the extent possible, standardized to make cross-country comparisons more meaningful.

Yet much of the relevant program data is scattered. It, too, must be brought together on a country basis, along with that related set of policy issues that now frequently remains the central concern of different agencies. Doing so should facilitate the exploration of often neglected interactions among programs and policies and the constructing of larger "packages" for negotiating purposes. On this latter point,

although there are sometimes good reasons for treating some foreign activities in isolation from the central thread of foreign policy formulation (e.g., the Peace Corps in order to try to keep it non-political), in most cases we need to break down these barriers, many of which are bureaucratic artifacts.

Finally, our emphasis on the need for better country analysis is motivated not merely by a desire to tidy up the process by which decisions are made, but by some evident failures of the present system. Consider Vietnam. Until recently, no group has been responsible for seeing to it that the full range of relevant information, hypotheses, ideas--including strongly divergent ones--is collected from inside and outside of the Government and made available to senior decision-makers. Consider the scope and the complexity of the factors involved--the military, intelligence, economic, political factors within South Vietnam; Hanoi's capabilities and perceptions; the interests of Peking and Moscow; those of U.S. allies; U.S. domestic opinion; and many others. There are grounds for believing that some of our mistakes might have been avoided had we established a better system for collecting and evaluating what was going on and what our alternatives were.

Of course, some issues need to be considered on a regional as well as a country basis. This is true of many military issues, trade (e.g., with the Common Market countries), and the operations of regional development organizations. Although the number of important regional issues is smaller than is suggested by much official rhetoric, where they exist they can be handled in part by aggregating the country data and analyses described above and, remaining, by examining the relevant problems of the region as a whole.

C. Functional Problems

Many important international issues are of a global or functional character. And such issues often are not equipped with a good "budgetary" handle. The workings of the international monetary system, many international trade problems, some international communication and transportation

matters, and the regulation of immigration are examples. The global aspects of defense problems are growing in importance as the military globe becomes less bipolar and the threat of nuclear proliferation increases.

Two questions are relevant about these global or functional issues: Are they treated competently in their own right? And are important interactions between these issues and others adequately taken into account?

Many of these issues usually receive a high level of technically competent attention. International financial matters are subjected to a good deal of analysis by Treasury and Federal Reserve staffs, by the Economic Bureau of State, by private bankers and by academic economists; and trade matters generally get thoroughly examined by governmental and industry groups. International transport and communications policies are sporadically analyzed in depth by high level interagency groups.⁵

Without asserting that all such issues get adequately examined, we would emphasize here (as elsewhere) the need for cross-cutting analysis not limited to some narrow concern but rather directed at broader issues. Some of the "gold flow" actions taken by the United States in recent years in order to effect balance-of-payments savings have had costly side effects in other areas.⁶ The tendency for international financial matters to be decided by Ministers of Finance and central bankers means that crucial issues profoundly affecting the foreign affairs of countries are decided by groups that have little understanding of many of the broader consequences of their actions.

Interactions between problems are too often neglected. The external resource requirements of less developed countries can be met directly by foreign aid or indirectly by granting trade preferences for their

⁵ Examples are the White House International Air Transport Study of 1962-63, and the President's Task Force Study on Communications Policy of 1968-69.

⁶ Not all the side effects have been unforeseen or even costly. "Gold flow" reductions abroad have also been used as an excuse for cutting down on overseas activities deemed to have low productivity.

products. Although "trade versus aid" tradeoffs clearly exist, the resource transfer implications of trade preferences or commodity agreements are difficult to calculate, whereas AID budget issues are regularly submitted to exhaustive--and recently devastating--treatment. Another troublesome problem is the tendency of some technologically oriented agencies to promote the transfer of their technology abroad (for example, in the field of atomic energy) even though such promotions increase our difficulties in achieving other objectives (for example, slowing the spread of nuclear weapons).

D. Background Knowledge

Implicit in much of what we try to do abroad are assumptions about the ways in which institutions work, the strength of forces making for change or for stability, the prospects for increased economic growth, the effects of such growth on political stability, the prospects for changes in the birth rate, the consequences of increased urbanization, and so forth. Yet we infrequently examine these matters in depth. And when we do so it is usually on rather narrow, albeit often important, questions: agricultural progress, birth control programs, the status of a certain dissident group. Usually neglected is a systematic effort to get deeper and broader understanding of the societies with which we deal.

Many people in government feel that they have a good knowledge of Western European countries through family ties, education abroad, reading of professional and popular literature, foreign assignments, and occasional visits. Even here we may often exaggerate the depth of our understanding. But it is clear that few in government service have a deep knowledge of much of the rest of the world, including countries of great importance to the United States. Yet there is far from an adequate effort under way to correct these deficiencies. Some exceptions are a modest program of language training, commendable efforts by intelligence agencies to deepen their knowledge, increased specialization in the assignment of foreign service officers, and some research efforts by DOD and much smaller ones by AID and other agencies. The International Education Act of 1966, designed to promote international studies at both advanced

and undergraduate levels, will no doubt eventually have payoffs for the U.S. Government's understanding of these problems. But these will not accrue quickly, and a general program is no substitute for a concentrated effort by the U.S. Government to increase its own intellectual capital.

One particular aspect of background problems deserving of more attention is the connection between the development process and U.S. interests. Implicit in programs designed to influence the development process is a conviction that U.S. interests are involved in the outcomes, and country achievements are often cited as proximate U.S. policy objectives. Yet it is usually difficult to establish the connection between outcomes and U.S. political objectives.⁷ This does not mean that the connection is missing but rather that too little is known about causes and effects of these aspects of the development process to determine the connections.

These problems have not all suffered from a lack of attention in academic and other research circles. But at least for U.S. foreign relations purposes, the research has too often lacked a real-world policy orientation. Econometric growth models, for example, are of value as a means of improving the understanding of the economic growth process, but they may be of little value in helping a country overcome the political obstacles to establishing sound economic policies. We know that urbanization changes the political complexion of a country, but not always the same way in every country. As a result, it is very hard for a U.S. policymaker to know whether or how to try to influence it--or if he can. We do not argue for policy research at the expense of basic research but for more attention to both, and to better linkages between them.

Methods of Analysis

It is hard to tell where one foreign problem ends and another begins. But, despite this, we believe that a better analytic job can be

⁷ The absence of a clear notion of the U.S. interests in outcomes does not preclude programmatic attempts to influence outcomes. The growing U.S. disillusionment with foreign aid is, we believe, but one example of the frustration at U.S. inability to influence outcomes.

done and that it can be done by the application of existing analytical concepts.

A. Clarifying the Policy Problem

The analyst's first task is to tidy up the problem package to the point where it is manageable, carefully taking note of parts he temporarily sets aside. (It is the decisionmaker's job to put the missing analytically intractable part back in.) The package must include those parts of the problem that strongly interact with one another. This criterion will permit analysis of some discrete, manageable problems, but it will not, of course, reduce the importance of parts set aside. The inevitability of overlaps should be clear from our earlier discussion of types of problems. Indeed, some particular problems need to be packaged and examined in several different ways before the analysis is complete.

Take the example of a U.S. base in a foreign country. Inevitably, the existence of the base is an important factor in U.S. relations with the host country--involving a specific security commitment, often raising local problems involving the presence of U.S. personnel, necessitating some "status of forces" arrangements, accruing direct and indirect economic benefits to the host country, and frequently requiring some quid pro quo. The base will constitute a part of some larger U.S. regional security posture. It may have characteristics that are duplicated by or can be substituted for a base in another country; it may be viewed by neighboring countries--friendly and hostile--as an indicator of the credibility of a U.S. regional security commitment. The base will also pertain to global problems. The existence of the base will determine, to some extent, the kinds of forces the United States needs to protect its regional security interests--with it, short-range lift capacity may be adequate; without it, more long-range troop lift capacity may be required. On the economic side, the cost of operating the base may result in a balance-of-payments drain. Finally, the base will affect budget decisions of several agencies.

Perhaps foreign base questions are near the more complex end of the international affairs and security problem spectrum, but there are few problems for which a "single cut" of analysis will suffice. The U.S. protectionist policy for textiles impinges on the economic development programs of foreign countries to which AID gives assistance. Arrangements between the United States and the United Kingdom on nuclear weapons affect French acceptance of the UK within the European Common Market.

The list is long, but the lesson is simple: most foreign policy problems are not analyzable until they have been reduced in size. This cutting down to size usually results in several problems, none of which is complete, but all of which are more analytically manageable than the original complex. Following the thoroughgoing analysis of each of the component problems, there remains one final task, that of bringing the pieces of analysis back together again as an input to decisionmaking.

In foreign affairs decisionmaking, this last task is performed haphazardly, and many times not at all. This is where a "foreign affairs budget" comes in. The decision by President Johnson to use PPBS as the instrument for improving the process of decisionmaking within the Government did not mean that all or even most policy decisions would be made in the context of budget considerations. However, the budget is an extremely useful device for policy review and control, and the creation of a foreign affairs budget could serve to focus at least the consideration of program issues in foreign affairs. Moreover, the existence of such a budget would certainly not mean that one agency would do all the analysis or that it would administer all the funds. Most program analysis needs to be done in various agencies. Even if the President so proposed, the Congress would neither authorize a single agency to administer the necessary funds for the multitude of overseas programs and activities nor appropriate such funds. A foreign affairs budget, at least in the clearly foreseeable stages of development, should be viewed as a means of assembling the scattered pieces of data and analysis.

Since the objective of having such a foreign affairs budget is to make better policy and program decisions, it follows that an important question is the way the budget is structured. When Secretary McNamara took over the Department of Defense in 1961, the budget format he inherited was organized in terms of line items--such as Military Personnel, Operations and Maintenance, Procurement, and so on--that told him little about the objectives of the Department. One of his tasks was a reorganization of the budget into a program structure--a structure that introduced program categories which reflected rather more closely the principal aims of DOD activities and planning: Strategic Retaliatory Forces, Continental Air and Missile Defense Forces, General Purpose Forces, Airlift and Sealift Forces, and so on. To be sure, a dichotomy still exists between the form in which the Defense Budget is submitted to congressional appropriation committees and the program form that is the basis for force structure planning, but policy decisions are clearly made in a program context.

The Department of Defense approach indicates that the first step in developing a foreign affairs program budget will thus be to decide what constitute the basic "program packages." We feel that the "individual country" should constitute the basic program package.⁸ The individual country is the building block of both foreign policy and foreign programs. Although country analysis is not sufficient, the country form is for many problems the most illuminating. Finally, both in Washington and abroad, the organization of the foreign policy

⁸See, for example, Thomas C. Schelling, "PPBS in Foreign Affairs," memorandum to the Jackson Subcommittee, op. cit., pp. 7-8; Charles L. Schultze, Planning-Programming-Budgeting, hearings before the Subcommittee on Government Operations, U.S. Senate, 90th Cong., first sess. (Washington: Government Printing Office, 1967), pp. 28-29; U. Alexis Johnson, Planning-Programming-Budgeting, hearings before the Subcommittee on National Security and International Operations of the Committee on Government Operations, U.S. Senate, 90th Cong., second sess. (Washington: Government Printing Office, 1968), p. 267.

community favors the country as the point for integration of management as well as policy control.⁹

However, the country programs would not include a large part of the Defense budget since these, for the most part, have a regional or global character. Moreover, many foreign policy questions requiring analysis--even those with large cost implications--may not develop in a manner or at a time conducive to examination in a PPBS context. The foreign affairs program budget should be viewed as a mechanism for periodically drawing together various kinds of analysis on individual countries.

B. Formulating Policy Objectives

The formulation of policy objectives would seem to be an important part of policy analysis. However, the results of formal policy planning processes of the last three administrations do not strongly support this contention. In practice, statements of objectives have tended to be series of homilies that were unobjectionable in principle but not of much use as measures of policy success or program effectiveness.

Statements of policy objectives in the past have characteristically been forged in an interagency process (the National Policy Papers were drafted by interagency committees, and the Eisenhower NSC Planning Board was an interagency committee). An agency's participation in the process has been taken to imply its general approval of the resultant policy statement. The predictable results have been "lowest common denominator" statements of objectives which are either bland enough for all agencies to accept or vague enough for each agency to interpret to its satisfaction. In fact, getting agreement on objectives is often much more difficult than getting agreement on specifications--unless the objectives have been largely drained of content.

⁹ For the foreseeable future any foreign affairs program budget will have associated with it an analog of the traditional (nonprogram) defense budget that is the basis for congressional appropriations. This analog will comprise the foreign operations portions of the budgets of the various agencies with programs overseas.

What is needed is more nearly the opposite: the surfacing of conflicting views on policy and the reasons for them. It is the confrontation of differing viewpoints that produces much of the payoff from policy analysis. Of course, formulating objectives is a difficult analytical task even if consensus is not required. Objectives or ends are often difficult to distinguish from means. For instance, economic growth of less-developed countries is often cited as a national objective, but a close examination of U.S. foreign aid policy does not support the notion. Funds are not allocated so as to maximize third world economic growth, but rather to support the economies of countries in which the United States has substantial political interests. Aid may support economic growth policies in order to impart a progressive image to the recipient government. Or aid may be aimed at preventing economic collapse in a country where such collapse would seem to be disruptive of international order. Thus, in practice, economic aid has been a means to a greater end which is essentially political in nature--from the Marshall plan to the present.

The acceptance of an objective also depends on what is required to achieve it, assuming, of course, the latter is known--which is frequently not the case. The means may be too expensive in terms of budgetary resources, requiring a revision of initially stated objectives. Situations of this sort inevitably arise in the present circumstances of declining appropriations for economic and military assistance. In other circumstances, ends are rejected because they "do not justify the means" in some broader sense. For example, the means, though associated with a legitimate end, may require a degree of involvement in another country's affairs which makes the U.S. Government vulnerable to embarrassment or is simply contrary to the decisionmaker's notion of what it is proper to do.

If forcing agreement on general objectives tends to be self-defeating and ends and means are difficult to separate, it follows that the ordering of objectives by priority presents a logically very difficult task. However, even if these practical problems were overcome, we question the value of attempting to rank objectives by priority,

in the first-things-first sense. Certainly various policy objectives will be valued differentially, and it is theoretically possible to rank objectives in the order of the value attached to achievement. But such a ranking considers only the benefit side of a decision, and it will probably not be very useful unless it considers divisibilities within objectives and the utilities of pursuing them at the margin.¹⁰ The policymaker will certainly also want to consider the cost side, as his most difficult problem is allocation--how to get the most from the political capital and fiscal resources he has available. He may wisely reject an expensive program which makes a small contribution to the achievement of his highest objective in favor of a less costly program which contributes substantially to the achievement of a lower priority objective.

The aim in formulating policy objectives should be to expose the decisionmaker to a set that is relevant. In doing so the analyst should indicate where he thinks objectives conflict and possible means of resolving the conflicts. To the extent possible, objectives should not be treated as fixed goals but rather as desiderata, for which varying levels of accomplishment are possible. In short, it is as important to identify for the policymaker the existence of alternative packages of objectives as it is to identify alternative packages of programs to meet these objectives.

C. Developing Program Alternatives

The task of indicating to the decisionmaker the alternative means by which he can pursue his objectives is exceedingly important. But developing real program alternatives in international relations presents some difficult problems.¹¹ First, targets of opportunity often appear not because of anything the United States does but because of developments largely internal to a particular country; for example, a change

¹⁰ It is useful to recall Adam Smith's classic treatment of value using the example of water and diamonds. Adam Smith, The Wealth of Nations (New York: Modern Library, 1937), p. 28.

¹¹ "Program" is used here in the broadest sense--foreign economic and military assistance membership in an alliance, diplomatic activity directed toward a particular purpose, etc.

in a government or ministry, or the need for a particular type of assistance. Second, existing programs usually have considerable momentum of their own which makes change difficult. The momentum exists within the U.S. Government--operators of particular programs form constituencies within the bureaucracy, and Congressmen whose own constituencies benefit from particular programs represent a force for continuation. The momentum exists overseas because programs can quickly become part of the general relationship the United States has with a particular country, and some individual government officials or some particular ministry usually has a stake in the continuation of each program. Hence significant program changes tend to disturb the bilateral relationship and create problems for the U.S. mission.

By all odds, the first step toward developing program alternatives should be an examination of current U.S. relations with and activities in the particular country.¹² This may sound trivial but it is not. As a general rule there exists no complete compilation of U.S. programs in individual countries, not to mention evaluations of program effectiveness. Hence an important order of business is simply finding out what is going on--what the programs and activities of the various agencies are, in what directions various members of the U.S. mission are trying to exert their influence.¹³

Stock taking itself is illuminating. It should be followed by an evaluation of what is actually being accomplished and why. In making this evaluation it is important to understand that the "real" objectives of a program may or may not have been used as the rationale for the program. Even if the program has been rationalized on the basis of what seem to be its "real" objectives, quite different outputs may

¹²For a country program package examination in the PPBS context, this examination should cover a wide range of interactions. A more narrow analysis aimed at a specific problem need deal only with interactions relevant to the issue at hand, but even then the list is likely to be long.

¹³We do not mean to suggest time and motion studies of mission activities. Rather we are interested in what the United States is attempting to do programmatically and diplomatically.

justify the program. Where U.S. policy objectives are hard to establish, what is actually going on may shed a good deal of light on what real interests are. Therefore, the analyst's list of program accomplishments should cover all significant outputs that seem relevant to U.S. interests.

The evaluation of existing programs should also shed considerable light on questions of new program feasibility. Domestic political factors in host countries which reduce the effectiveness of existing programs are constraints in designing alternatives. This applies equally to domestic budgetary and human resource constraints. On the positive side, the evaluation effort may point to areas where U.S. and host country interests closely coincide, suggesting new program patterns.

Experience is certainly not the only basis for judging the feasibility of new programs. But it is probably the best available indicator in most program areas in the absence of major changes in the environment of bilateral relations.

Finally, to serve the decisionmaker well, the analyst must attempt to be as rigorous in assessing the prospects for the success of alternative programs as he has been in pointing up the shortcomings of existing programs. This is difficult to do because for the analyst, as for everyone else, hindsight is sharper than foresight. Yet the effort must be made. One way the analyst can help ensure that his results will be balanced is to subject new program alternatives to more rigorous evaluation criteria than those of the existing program.

D. Program Costs

Program alternatives can scarcely be evaluated adequately in the absence of cost estimates. Yet lacking a compilation of total U.S. activities in a given country, the decisionmaker cannot estimate the cost of pursuing objectives with any degree of confidence. Probably the most useful approach to the cost question is to begin by costing current programs. This can and should be done concurrently with the compilation of activities proposed above. Combining these two exercises has the virtue of presenting the various types of data in common

program terms.¹⁴

Data on current costs of existing programs may not, in many cases, serve as a very adequate guide for costing new program alternatives. Current data often show only the cost of continuing what is going on, whereas there are often substantial costs to initiating a program. Sunk costs in existing programs should, of course, be neglected in comparing prospective with present programs. But if such costs are substantial, they should serve as a warning of the potential for underestimating alternative program costs (which potential is great in any case).

One of the important functions of PPBS is to give an improved perspective to the costing questions. Too often decisions are made without an adequate understanding of cost implications, either because costs are incorrectly or incompletely calculated or because the presentation of costs, though technically correct, is misleading. The "Budget Bureau Guidelines for 1968" provide an instructive example of this latter problem:

...if a project will ultimately cost \$200 million, and if the first year budget authority would be \$40 million, the PFP (program and financial plan) should show for the budget year:

- (1) A program level of \$40 million if, as a practical matter, the project could be stopped at that point.
- (2) A program level of \$200 million, if, as a practical matter, the project would have to be completed once begun.
- (3) A program level between \$40 million and \$200 million if there is an interim stopping point.¹⁵

The discussion of costs up to this point has centered on straightforward, directly measurable program costs. However, many of the costs associated with foreign policy decisions are difficult to identify

¹⁴We do not conceive of this cost work in elaborate terms. For these purposes it is not necessary--and perhaps not even desirable--to have the kind of detailed cost breakdowns produced by the comprehensive country programming system (CCPS) experimented with by the State Department several years ago. The cost data produced by CCPS included hour by hour breakdowns of how junior Foreign Service officers spent their time. Such data might be very useful in managing an embassy, in an administrative sense. But our concern is with a reasonably accurate description in program cost terms (which cut across agency lines) of how U.S. resources are being used.

¹⁵Budget Bureau Guidelines of 1968," op. cit., p. 11.

in program terms. And they often are of much greater importance than the program ones.

We do not pretend that indirect policy costs can be estimated--much less measured--with any degree of confidence. However, judgments on such matters are implicit in many foreign policy and national security decisions--the stationing of U.S. troops abroad, the deployment of naval forces, or the development or relinquishment of base facilities, to mention a few of the more obvious ones.¹⁶ Analysis may not provide a very adequate assessment of the liability side of policy costs. Rank ordering of the liability aspects of alternative policies and programs may be possible, and, at the very least, analysis can make explicit the liability aspects of policy.

E. Uncertainty

Some irreducible uncertainty must be dealt with in most "real world" analytical problems, but we can think of few classes of problems in which the uncertainty component is greater than in international affairs. In the first place, it is frequently impossible to forecast political and economic developments in a friendly country, where we have access to a great deal of information, with much confidence, not to mention developments in or actions of an adversary country where we may have little information.

The degree to which programs promote U.S. objectives also is commonly a matter of uncertainty. Often it is difficult to determine the effects of a program even on proximate objectives (the effects of aid on the economic growth rate, for example) not to mention the program's

¹⁶Concern has been voiced in recent years, notably by Senator Fulbright, that even U.S. economic assistance carries with it some implicit commitment to come to a country's assistance. And this argument has been advanced as a reason for amendments to the Foreign Assistance Act limiting the number of countries to which the United States may give economic assistance. (See "Foreign Assistance Act of 1961, as Amended," "Legislation on Foreign Relations, 1968," sections 201(b) 211(a), 401, 504(a).)

effect on basic U.S. objectives (strengthening the recipient country's political and economic fiber, for example).

Finally, there may be considerable uncertainty regarding the costs of a particular program. Military assistance program objectives are commonly stated in terms of the recipient country's force development, but equipment attrition and the maintenance capacity of the country are frequently unknown. Hence the cost of hardware needed to develop and maintain a desired level of effectiveness is a matter of uncertainty. Of even greater uncertainty are the costs of attaining the more fundamental objective, enabling the recipient country to deal with a specific threat.¹⁷

A useful analytical step toward dealing with the problems of uncertainty is to enumerate events or contingencies that might significantly affect the attainment of program objectives. Developing this list should be much more the task of experts in the program area (e.g., experienced political observers, military experts, economists, and technicians) than of any centralized analytical staff. The analyst's role should be that of probing the experts to be sure that the resultant list is as complete as possible.

The experts may be able to impute a probability distribution to some of the uncertain events identified, but their basis for doing so is usually subjective. Still the assignment of subjective probabilities may be useful to clarify or to point out inconsistencies in the analysts' and others' thinking. The decisionmaker may be wary of accepting subjective estimates of probability at face value, even when experts have reached a near consensus--and he should be wary. But what are his options?

He may, of course, decide that the information at hand is not sufficient to permit him to make a decision. He may then ask for more

¹⁷ A case in point on the equipment side of this latter problem was the U.S. realization, after the Tet offensive of 1968, that the South Vietnamese Army had to be equipped with new, high-cost M-16 rifles to permit them to match firepower with Vietcong units newly outfitted with AK-47 rifles.

information. For example: Will a new seed variety triple the output of the crop? Can the country's technicians maintain the sophisticated aircraft? Whether this will help will depend on the extent to which the initial analysis used the available data, and whether additional relevant data can be collected. It will also depend on the direct cost of collecting and analyzing the additional data, and finally, on the costs of postponing the decision. Buying more information may marginally reduce, but will rarely eliminate, uncertainty.

The decisionmaker always has the option of buying time--postponing a decision. By waiting, some uncertainties may be resolved by the course of events. The election returns will be in; the need for the road may be clarified. However, as pointed out above, there is often a cost associated with waiting--in terms of opportunities lost, for example. Thus, U.S. silence might be taken as tacit support for a coup that is contrary to U.S. interests.

In many circumstances, the decisionmaker may choose a hedging course of action that preserves some of his options. This may involve initially proceeding, in effect, along several paths with the full knowledge that all but one path must be abandoned eventually, and that the sunk costs and costs of abandonment must be accepted as the price of ascertaining feasibility. AID may finance several types of village radios on an experimental basis, knowing that it is infeasible for district offices to develop maintenance for more than one. In other circumstances, options may be preserved by selecting a course of action that will solve only interim problems, but will retain future options.

In rare circumstances, one of the decisionmaker's alternatives may appear superior to all others in each of the relevant contingencies. Of course, the existence of such a dominant policy or program can put an end to the decisionmaker's worries. Unfortunately, absolute dominance is rare in circumstances where analysis has concentrated on producing sound alternatives--not straw men--but a search for it may eliminate one or more inferior alternatives.

Except in the rare cases where one alternative dominates all others, the decisionmaker will have to cope with some residual uncertainty when

he makes his decision. In the final process of deciding he will probably resort--perhaps subconsciously--to a form of sensitivity analysis. That is, he will attempt to take account of the degree to which contingencies will affect outcomes under various alternative courses of action open to him. Depending upon his preferences, the decisionmaker may opt for a course of action whose results promise to be very favorable under the most probable course of events. Or he may select an alternative whose results promise not to be quite as favorable under the most probable course of events but promise to be acceptable under a much larger range of contingencies. Even though the decisionmaker's consideration of the problem may involve either approach implicitly, he is best served by analysis that treats the matter of sensitivity explicitly.¹⁸

The systematic examination of uncertainties which we have prescribed may itself appear laborious and "uncertain." It is, but the stakes are high. To us many painstaking ex ante examinations of the "what if's***?" seem justified if they can avoid a few hopeless ex post "but I had assumed..." excuses.

F. Evaluation of Alternatives

Our prescribed methods of analysis are aimed at one primary objective: developing a system of analysis which will better serve the decisionmaker by providing him with more relevant information and by widening the range and increasing the quality of the choices open to him.

If irreducible uncertainty is as pervasive in international problems as we assert, analysis will produce few, if any, clear solutions to

¹⁸ For a discussion of this and other aspects of uncertainty see Albert Madansky, "Uncertainty," pp. 81-96, and H. Rosenzweig, "Technological Considerations," pp. 115-123, in E. S. Quade and W. I. Boucher (eds.), Systems Analysis and Policy Planning: Applications in Defense (New York: American Elsevier, 1968). Rosenzweig suggests that the performance of a system (policy or program) should be viewed as a band of different widths instead of a fine single line. Madansky recommends going further "to include subjective probabilities across the band, since the extreme of the band may not be as likely as is the 'fine single line' somewhere in the middle of the band."

policy problems. What analysis can and should produce is a series of policy or program options, some of which promise to work better in certain circumstances than in others, or which serve certain objectives better than others. The quality of this analytical product will depend upon how well the problem is defined, and how effectively it handles objectives, program alternatives, costs, and uncertainty. But the value of analysis to the decisionmaker will often be determined, in large part, by how all relevant factors are integrated into a concise, relatively short document that presents and evaluates alternative courses of action. What the decisionmaker has received too often in past is a memorandum which, in effect, reads, "Here is the problem... I recommend..." The originator may have systematically examined all aspects of the question, but by not making his interim conclusions and his basis for arriving at them explicit, he leaves the decisionmaker little choice but to accept or reject his judgment.

Finally, the analyst will serve the decisionmaker well if he insures that any analytical document he prepares enumerates all conflicting opinions of any merit. This, of course, is not a function of analysis per se. But since judgment will almost always be an important element in a decision, the decisionmaker deserves to have the benefit of all that is available. Knowing where differences of opinion exist should help him to conserve his effort and focus his judgment on the more crucial aspects of a problem.

III. ORGANIZATIONAL PROBLEMS AND APPROACHES

The foreign affairs system--in the broadest sense--should primarily be designated to serve the President by enabling him better to fulfill his responsibilities in directing U.S. foreign affairs.¹⁹

¹⁹ The foreign affairs system we refer to is that of the executive branch. A separate question is the role of analysis in supporting the Congress in the field of foreign affairs. This aspect is especially pertinent in light of the growing congressional tendency to check executive authority in foreign and defense matters. Without arguing that it is in the national interest for the power of Congress to be increased in this area, there is little doubt in our minds that the

This does not flow simply from the President's authority under the Constitution, but from his position as political and administrative leader of the United States. The responsibility for foreign affairs could not reside elsewhere.²⁰ The predominance of Presidential authority distinguishes the conduct of foreign affairs from that of domestic affairs, where responsibility is diffused widely. However, since it is obviously neither desirable nor possible for the President to involve himself in all, or even many relatively important, policy decisions, he must delegate a great deal of authority. But while he can delegate authority, the President cannot unburden himself of responsibility. Therefore, it is essential that those to whom the President delegates such authority act on behalf of the President, in the President's interest--in short, that they adopt insofar as possible a Presidential perspective.

This does not mean that everyone is expected to or should have an Olympian view of the world. When the President turns to the Joint Chiefs for military advice, or to the Arms Control and Disarmament Agency for advice on our arms negotiation with the Soviet Union, he should not expect to get a balanced overall judgment. Instead, what he is looking for is a competent treatment of the issues from those with particular responsibilities and expertise. On the other hand, because he is dependent on these agencies for advice, and because every bureaucracy can be expected to have certain biases and vested interests, he should take precautions to try to assure that issues get examined in the round. One way is for him to choose people for senior

relevant committees of Congress could do a more effective job in illuminating issues in eliciting information from the executive branch, and in generating alternative policies. They could do so by equipping themselves with larger and better staffs who are able to do independent work and to draw more on the analytic resources of the academic and research communities.

²⁰ The extent to which the President exercises his role personally, relies more upon the Office of the Presidency (special assistants, NSC staff, BOB, etc), delegates considerable authority to one or more Cabinet officers, or uses the formal National Security Council apparatus will determine to some extent the organizational structure needed.

positions in agencies who are competent in running their agencies and in representing their expertise and who are sensitive to Presidential needs. Another is to equip himself with independent analytic capabilities.

The function of such Presidential staff analysts is not to collect the pieces submitted by agencies and simply staple them together but (1) to elicit ideas, evidence, options, and beliefs on issues held throughout (and outside of) the Government; (2) to make independent investigations and raise sharply pointed questions on matters of importance on which there is a basis for raising questions; and (3) to do comprehensive analysis, which can be done only at a high level. These are not easy tasks. There are frequently bureaucratic barriers to the flow of information upward, and people with good ideas do not always know how to articulate them or where to place them. Perhaps most difficult is the discipline of not letting the analysts' own views unduly distort or color the advice coming from other quarters.

The role of analysis depends most of all on the attitude of the decisionmakers. Unless it is demanded by the President, and unless the President organizes not only his own office but the entire system to this end, the foreign affairs bureaucracy will not provide him with the materials needed to make better decisions. Agency doctrines, interests, and perceptions have a very strong influence on agency behavior. And the process of interagency coordination often involves a good deal of logrolling as a means of resolving conflicts. This mechanism is the only means of dealing with many day-to-day problems. Accommodation and adjustment are necessary if the system is to function at all, but on important issues such compromises frequently result in poor decisions. At the very least, among the logrollers there should be a strong representative of the Presidential interest.

In short, the sine qua non for analysis to serve a useful purpose is to have a decisionmaker who will use it. Decisionmakers can do without analysis, and the proof of that fact is that they have so often done without it in the past; but good analysis and analysts cannot do without decisionmakers.

But for all of the importance of analysis at the top, policy analysis in international affairs should not be the function of a single staff but rather that of many analytic staffs within the various foreign affairs agencies, and at different levels within these agencies. For example, some of the major benefits of introducing systems analysis in the Office of the Secretary of Defense have been the effects external to that Office. The use of systems analysis by the Secretary of Defense has contributed to improving the quality of staff work done within the services. The introduction of better more systematic analysis of international problems should have a similar demonstration or competitive effect. But for this to happen, much of the product of the senior staffs will have to be (1) of high quality, (2) visible in the form of written analyses to those with a need to know throughout the Government, and (3) taken seriously, because they often form the basis for action.

What makes a good analyst? It is true that people with formal, quantitative analytic training tend to be found in these jobs. And there is much to be said for the value of quantitative skills. However, the way an individual thinks about problems is often more important than his academic discipline. On this subject, Charles Schultze, former Budget Director, observed:

[PPBS has tended to attract] people who attempt to pin things down and use analytical processes as opposed to the intuitive approach.... If you look at our [Budget Bureau] staff or the staff of Alain Enthoven in Systems Analysis, you will find people of all kinds of backgrounds. Law, for example, is very good training for this.²¹

Some characteristics of a good analyst can be summarized: He must be interested in problems and the process of problem solving; he needs to be persistently curious, willing to dig for relevant information; he can certainly have predispositions regarding solutions to the problems he deals with, but he must be able to separate predispositions from the

²¹Planning-Programing-Budgeting, hearings before the Subcommittee on National Security and International Operations of the Committee on Government Operations, U.S. Senate, 90th Cong., first sess., Aug. 23, 1967 (U.S. Government Printing Office, Washington: 1967).

findings of analysis; he should understand when problems are complex, but not be totally cowed by that complexity; above all, he needs to recognize and acknowledge limitations in his work.

We have used the term "analysts" as though this is a distinct group of people from "decisionmakers" or "operators." This is perhaps misleading. For although there are some groups that have a staff advisory function, there are many in line operating positions who can and should provide organized analytic advice to their superiors on certain matters. Thus, it used to be said that Secretary McNamara was the senior systems analyst in the Defense Department. Moreover, even those clearly in a staff advisory capacity bear a certain responsibility for "decision-making" in the way they formulate issues, in the data they decide are relevant, and, of course, in the recommendations for action that they make.

Knowing more about the decisionmaker's presentational preferences and how he uses the product can significantly increase and sometimes even determine the value of analysis. While the manner of personal presentational preferences may seem trivial to some readers, few who have served on an analytic staff will deny their importance. A knowledge of how much time the decisionmaker will spend on the problem is virtually essential to effective analysis. If he has only 15 minutes to devote to the problem, a 25 page analytic study will be of little value. But a tightly written, two-page memorandum sometimes can summarize the most relevant points, outline options, and provide either the basis for a decision on the question at hand or a determination that it is important enough to merit more time and study. Finally, there must be guidance down from decisionmakers. Analysts need to know which kinds, or what aspects, of problems most concern the decisionmaker--particularly when he is the President. Analysis should, of course, cover what is relevant, but it should not dwell on an aspect of the problem the decisionmaker already understands or is not interested in. More knowledge about any particular problem might always be useful but there are also other problems. Here the analyst must do his own cost-effectiveness analysis of the decisionmaker's time,

using his knowledge of how the product will be used.

Foreign affairs problems usually are not settled by "one time" decisions. More often it is a process involving a series of actions. This implies that the analyst needs to monitor operations. This should not mean becoming immersed in cable reading or engrossed in day-to-day operations, but rather staying abreast of what is going on and being alert to how the bureaucracy is carrying out decisions made at the top. Bureaucracies can frequently construe guidance to mean something contrary to the decisionmaker's intent. But the utility of the monitoring function is greater than that of merely being a watchdog over the bureaucracy. Because of the complexity of international problems, the decisionmaker is almost sure to have to deal with a gap of uncertainty even after analysis has been pushed to the limits of feasibility. Situations change, new data become available, old hypotheses become questionable. Here the effort to oversee what is occurring can have its greatest value.

Some Key Organizational Features

How problems are dealt with by different foreign affairs agencies reflects not just differences in the nature of the problems, but also differences in the organizational character of the agencies. These differences are a function of bureaucratic traditions and styles, the disciplines and personalities of the people involved, and individual and group loyalties, as well as the kinds of activities an organization is charged with carrying out.

A. The Office of the Presidency

How any organization operates depends, to a considerable extent, on who heads it, but for no other organization in the U.S. Government is this as true as it is for the Office of the Presidency.²² The

²² We include here the White House Office staff and all the staff organizations of the Executive Office of the President. The latter group includes the Bureau of the Budget, the Council of Economic Advisors, the National Security Council Staff, the Office of Science and Technology, the Office of the Special Trade Representative, the

selection of Presidential Special Assistants, the Budget Director, members of the Council of Economic Advisers, and other such key positions will obviously reflect the President's personal preferences for people as well as his mode of operation. However, even an organization as institutionalized as the Budget Bureau can be changed substantially to conform to Presidential preferences, as was demonstrated by the change between the Eisenhower and Kennedy-Johnson administrations. And radical changes in the functions and composition of the National Security Council staffs from the Eisenhower through to the Nixon Presidencies show the importance of the President's personal preferences in determining how he will use his own staff. Given this, what relevant observations and generalizations can be made regarding the role of the Office of the Presidency in foreign policy analysis, decisionmaking, and execution?

Presidents rely on their own immediate staffs to view issues consistently from a Presidential perspective. A President may call on particular individuals within his Cabinet for judgment and advice on a broad range of questions, presumably not only because he holds them in high regard and trust them, but also because he expects them to view matters from his perspective with his broad interests in mind. And this is more likely to happen in foreign affairs and national security matters than in domestic ones. But even Cabinet members with the broadest sense of the public interest have a responsibility to represent their departmental interest. Not so with members of the President's staff. Their job is to serve the President by adopting his perspective in a national political interest sense.

National Aeronautics and Space Council, and the Office of Emergency Preparedness. The proposed total of authorized positions for these organizations in fiscal year 1970 was 1298. See, "The Budget of the United States Government: Fiscal Year 1970, Appendix" (Washington: Government Printing Office, 1969), pp. 1012-1014. However, in the past there has been a substantial number of professional and clerical personnel "on loan" from other agencies to the White House staff for indefinite periods who do not show on the White House rolls.

Each of the past three Presidents relied to some degree upon analysis done within the Office of the President. Even during the Eisenhower Administration, when the Interagency Planning Board prepared most of the analytical backup material for the National Security Council's policy deliberations, a "special staff" of senior NSC staff professionals was assembled. The special staff, directed by the NSC's Deputy Executive Secretary, was used as an independent source of analysis of Planning Board papers and departmental recommendations, and as the briefer of the President before council meetings.

Downgrading the importance of the National Security Council and abolishing its interagency support groups, President Kennedy chose to place greater reliance upon the Presidential staff as a personal source of analysis and advice on foreign and national security policy. Commenting on the role of the Kennedy Presidential staff, McGeorge Bundy wrote:

This staff is smaller than it was in the last administration, and it is more closely knit. The President uses in these areas a number of officers holding White House appointments, and a number of others holding appointments in the National Security Council staff. He also uses extensively the staff of the Bureau of the Budget. These men are all staff officers. Their job is to help the President, not to supersede or supplement any of the high officials who hold line responsibilities in the executive departments and agencies. Their task is that all of staff officers: to extend the range and enlarge the direct effectiveness of the man they serve. ... There remains a crushing burden of responsibility, and of sheer work, on the President himself; there remains also the steady flow of questions, of ideas, of executive energy which a strong President will give off like sparks. If his Cabinet officers are to be free to do their own work, the President's work must be done--to the extent that he cannot do it himself--by staff officers under his direct oversight.²³

Initially, President Johnson used his staff in essentially the same manner as President Kennedy, although he was somewhat less deeply

²³McGeorge Bundy, Letter to Senator Henry M. Jackson, dated Sept. 4, 1961, in "Administration of National Security: Selected Papers," Subcommittee on National Security Staffing and Operations, Committee on Government Operations, U.S. Senate (Washington: Government Printing Office, 1962), p. 7.

involved in most foreign affairs issues than his predecessor. Three significant changes occurred in early 1966: Walt Rostow replaced McGeorge Bundy as Special Assistant for National Security Affairs; a separate staff for Vietnam nonmilitary affairs was established under Special Assistant Robert Komer; and NSAM 341 established regional and worldwide interdepartmental policy groups under State's leadership. However, despite his formal delegation of greater authority to State, the President continued to rely heavily upon the Presidential staff for analysis, and routine procedures were established for staff analysis and Presidential decision on issues involving financial matters, food, and military aid.

However well this system may have worked in general, it is clear that there have been some important deficiencies in the nature of the policy analysis available to the President in recent years. For example, the most urgent foreign problem the U.S. has faced during this period, Vietnam, has not had the attention of a full-time senior staff addressing all aspects--military, political, economic, psychological. Regular "Tuesday luncheons" attended by senior officials, all of whom had other major responsibilities as well, were an inadequate substitute for such a full-time group.

The Kennedy-Johnson national security staff, although containing many excellent people, was small and often--of necessity--focused on current operational problems. The joint result, combined with the poor quality of much of the material routinely submitted by the departments, left many issues inadequately treated. Further, the Budget Bureau, which conducts the only overall review of some issues from a national viewpoint, is poorly placed to provide comprehensive analytic advice that takes proper account of nonbudgetary foreign issues.

The staff organization of the Nixon administration is still in the process of development, and the role of the staff will be determined more by Presidential behavior, over time, than by organizational directives and charts. However, the new President has made clear his intent to use the office of the Presidency as a source of independent analysis. At the same time that he revitalized the National Security Council's

role in foreign policy formation, President Nixon selected Henry Kissinger, a highly respected foreign policy analyst, as his Special Assistant for National Security Affairs. Kissinger, in turn, has assembled a group of highly competent professionals in an NSC staff a good deal larger than those of the Kennedy and Johnson administrations. Within this staff are essentially three groups: regional and functional specialists, a planning group, and a small program analysis staff. While revoking NSAM 341 (President Johnson's attempt to give a larger policy and coordinating role to State), President Nixon has essentially kept the Assistant Secretary-level Interdepartmental Regional Groups (IRG) and the Under Secretary-level Senior Interdepartmental Group (SIG), but he has placed them within the National Security Council system.

The attraction of serving on the Presidential staff is sufficiently great to assure a supply of highly competent professionals to fill the positions--on the condition that their talents are used. The consistently high quality of the professional staffs of the National Security Council, the Budget Bureau, and the Council of Economic Advisers supports this premise.

Notwithstanding this, there are limitations to what the Presidential staff can do by way of analysis. Their numbers should remain small to prevent overbureaucratization. And the staff must perform other functions. monitoring operations, responding to Presidential requests for information, communicating to the various agencies their impressions of what the President expects. Even if the constraints of small size and preoccupation with other activities were overcome, there would remain a fundamental limitation on the analysis that the President's staff can do itself. For inputs to its analysis, the staff must depend almost entirely upon the operating agencies with their large bureaucratic resources and information. And to a large extent the necessary inputs will not be available in the agencies unless the agencies themselves are also performing similar analyses. Thus, the President's staff cannot do its own analytic job efficiently unless others in the agencies are doing theirs.

B. The Department of State

The Department of State has strong institutional characteristics that have been little affected over time by changes in its own top leadership or the Presidency. To some this is virtue; to others it is vice. But there seems little disagreement about the fact that it is so. While we are less convinced than some that what has been in the Department of State will necessarily continue to be a discussion of State's organizational structure and functions and its other institutional characteristics is less subject to being "dated" than any such discussion of the Presidency.

The Secretary of State has the responsibility for overall direction, coordination, and supervision of U.S. activities overseas. The tradition of the Department is that it serves as a staff for the Secretary to enable him to fulfill his responsibilities. In fact, State has many more of the characteristics of an operating agency than of a staff agency. Diplomacy is a global operation which engaged most of the Department in day-to-day matters that are little connected with the "seventh floor" (residence of, and shorthand for, State's top command and their staffs). However, there are four staff groups within the Department who are sufficiently free of day-to-day operations to permit them to provide substantial staff services for top leadership; the Bureau of Intelligence and Research, the Policy Planning Council, the Bureau of Economic Affairs, and the Political Military Group.

The Bureau of Intelligence and Research (INR) has roughly 150 professionals whose function it is to examine the intelligence intake of the U.S. Government and the research output of private individuals, institutes, and the academic community. INR also is responsible for representing State on the formal interagency U.S. Intelligence Board and for contributing State's views on intelligence issues. Its principal staff output takes the form of memorandums on selected topics which are designed to provide policymakers with a different analytic perspective from that of other members of the intelligence community.

The chief problem with INR is that its staff is too operationally oriented and spread too thin. One of INR's office directors recently

wrote about his staff:

...as research analysts, they simply do not have sufficient time both to keep on top of current issues and to remain adequately steeped in all those other aspects of academic and other external research and reflection which could enrich their more fundamental studies and ultimately, their current analysis.²⁴

The Policy Planning Council has the broadest charter to examine foreign policy issues. Traditionally, the Council has attracted a group of foreign affairs specialists from both within and outside Government who have dealt with a wide range of issues cutting across political, military, economic, and other matters.

In recent years, a considerable part of its effort has been devoted to the preparation of national policy papers (NPP's) on specific countries. However, these papers are generally regarded in the foreign affairs community as not being very useful, despite the talent that goes into their preparation. It is worth considering why this is so. For one thing, the papers have tended to be very general. This reflects, on the one hand, a proper interest in having a broad perspective; but it also reflects a remoteness from actual decisions, a lack of relevance or "bite" in the discussion of issues. For instance, they usually have not dealt with foreign programs in any detail. Fisher Howe, a former Council member, described the articulation of objectives as "largely unsystematic and haphazard" in which "precision and comparability are not achieved."²⁵

The Bureau of Economic Affairs, in addition to many other duties, performs State's economic analysis. It has often served an important function within Washington's economic policy community by giving a broader policy perspective to economic policy considerations. The Bureau has attracted some highly competent, policy-oriented economists, but it has consistently had difficulties staffing in depth and scope. The Bureau's effectiveness has been limited largely by two factors:

²⁴E. Raymond Platig, "Research and Analysis," The Annals, November 1968, p. 57.

²⁵Fisher Howe, "Policy Planning in the New Diplomacy," The Annals, November 1968, p. 46.

First, the Secretary of State's responsibility in formulating international economic policy is shared with strong domestic agencies, and recent Secretaries have not been assertive in the role that have-- much less sought to expand it. As a result, the Bureau has often acted more as a staff to the Assistant Secretary for Economic Affairs or to other agencies or interagency groups than to the Secretary. Second, State provides generally weak career incentives for economists. The career Foreign Service economist's function is generally viewed as "reporting," not "analysis," and because State's role in economic policy formation is circumscribed, the Bureau has difficulty attracting economists from outside the Foreign Service.²⁶

The Politico-Military Group (G/PM), headed until recently by a deputy assistant secretary within the Office of the Deputy Under Secretary for Political Affairs, is State's institutional answer to policy coordination with the Pentagon.²⁷ This staff is generally good but small. It does not begin to have the staff resources to stay abreast of the range of security issues bearing on foreign policy. As a consequence it is forced to be highly selective. Although the Secretary of State has had the opportunity to review the annual force structure program of DOD before it goes to the President, Secretary Rusk did not choose to involve State very deeply in security questions. Thus G/PM's analytic capabilities have been used more in liaison functions on particular issues than for a generally substantive input to defense decisions affecting foreign affairs.

A great deal of the power in the State Department below the Secretary and Under Secretary levels resides within the regional bureaus, and this power is jealously guarded. The regional bureaus view themselves as staffs to the Secretary and have institutionally resisted the creation of independent analytic staffs for the "seventh

²⁶ During the past several years the Foreign Service has begun to stress the importance of economics in recruitment and in midcareer training. No doubt they are better off for having done so, but increased demand for economists in the professional marketplace has probably left State less competitive than before.

²⁷ In the new Administration, G/PM has been restyled J/PM, and is now attached directly to the Office of the Under Secretary for Political Affairs.

floor." Nor have the regional assistant secretaries created analytic staffs for themselves within the bureaus, but have relied on the "country desk" organization for analysis as well as day-to-day operations.²⁸ Although this regional integration of analytic and operational functions is consistent with the bureaus' views of how the Department should function, the result is that neither the Secretary nor the assistant secretaries have anyone whom they can ask for routine substantive analysis other than busy operators.²⁹ And the operator's perspective is constrained by deep involvement in day-to-day matters. One of the chief weaknesses of the interdepartmental coordination structure (the SIG and the IRG's) established in 1966--and recently changed by the Nixon administration--was the lack of staffs to develop and analyze agenda items.

No discussion of the State Department--however brief--would be complete without some mention of the Foreign Service as an institution. The Foreign Service is generally regarded as the professional corps of highest caliber within the U.S. Government. Yet many of the inadequacies in formulating and executing foreign policy are attributed to the Foreign Service. And the "Young Turk" movement and the soul searching that has begun within the Foreign Service during the past 2 years indicate that many of its members are seriously concerned about their personal future and that of the institution's.³⁰

Despite the competency of many Foreign Service Officers, there is probably no group, as a whole, within the U.S. Government less disposed

²⁸ The one partial exception is the combined State/AID Latin American Bureau (ARA-LA), which has several groups that partially fulfill this staff role.

²⁹ Obviously, the Secretary can call on one of the four analytic staffs discussed above, if the matters fall within their area of expertise. However, the particular institutional characteristics of the two broadest-gauge staffs, the Policy Planning Council and INR make them inappropriate for what might be called routine analytic tasks.

³⁰ One manifestation of these developments was the publication of Toward a Modern Diplomacy (Washington: American Foreign Service Association, 1968).

toward systematic decisionmaking than the senior members of that corps--officials who either head or dominate our missions abroad. By background, by experience, by selection within the system, they epitomize the intuitive operator. Since they have been trained mostly in the liberal arts, have usually served for much of their careers as generalists and political officers (as distinct from being specialists in administration, intelligence, or information), and have been selected for promotion in part because they are not specialists in any particular field, it would be surprising if this group had characteristics different from those that they possess.

Notwithstanding this, there are good analysts among the Foreign Service. More important, the Foreign Service is by far the largest source of expertise on foreign affairs in the U.S. Government, and unless this expertise is mobilized, good analysis in international affairs will be slow in coming.

C. The Department of Defense

On this subject so much has been written in recent years that there is little that we want to add. The Defense Department probably has gone further than any other part of the U.S. Government in doing systematic analysis and research, much of which is relevant directly or indirectly to international matters. For example, analysis that improves the capability for quick response air deployment of U.S. forces to trouble spots overseas may lessen our dependence on foreign bases, with direct consequences for our overall relations abroad.

Among the central features of the DOD analytical system relevant to the foreign affairs analytical system is, of course, its consolidation within the planning, programming, budgeting system (PPBS), which was devised and applied in the DOD before being introduced in other agencies beginning in 1965. This system generates several planning documents in recurring cycles that serve an extremely useful role in

communicating concepts, decisions, and a common basis for policy-- and provide a forum for constructively organized debate about policy disagreements. One document is the 5-year force structure and financial program, which describes decisions about approved military programs and their fiscal implications for a 5-year period. Still another is the Secretary's annual posture statement (which appears in both classified and unclassified form), analyzing, in broad scope, key defense issues and programs to deal with them. Behind this statement lie more detailed analyses and reasons for decisions in the form of draft presidential memoranda, which serve as the focus for internal review and debate about programs and policies. A relatively new innovation is the development concept paper, which serves a similar function on research and development issues. In addition, the Joint Chiefs of Staff continue to produce the joint strategic objectives plan, which recommends forces and programs for long-term requirements. Finally, there are many special analytic studies that articulate particular issues in depth.

Another feature of the DOD analytical system is the great use made of the academic and research community. This is, of course, true for a wide range of DOD's activities, of which research on foreign problems constitutes only a small part.

The activities of the Joint War Games Agency in the Joint Staff are also worthy of mention. Among other things, the Agency conducts very useful political "games" in which hypothetical crisis situations around the world are simulated. These games involve the participation of people throughout the foreign affairs and defense agencies and provide a useful forum for review and discussion of issues of wide concern.

What is particularly relevant to our topic is that, although the DOD does its best to take a broad view, incorporating considerations going beyond the narrowly military, it remains primarily responsible for military affairs. No countervailing system of comparable degree of organizational strength and analytic competency exists to represent nonmilitary interests.

D. The Central Intelligence Agency

The Central Intelligence Agency has a major analytic role, and has maintained a clear distinction between analytic and operational functions, which in its case seems vital. The analytic function is central to CIA's role as intelligence estimator and forecaster. Because its analysts often have strong academic interests, they tend to be receptive to ideas from outside the government. And because his interests lie primarily in the country (or problems) he analyzes, not in either U.S. programs or policy toward that country, his views are less encumbered by a need to justify U.S. actions. Because this type of work tends to attract the intellectual and because he is relatively free of program or policy commitment, the quality of much of CIA's analysis is quite high. (The analyst is not, of course, wholly free of involvement with policy; or of constraint imposed by earlier forecasts he may have made; or of institutional biases.)

The types of policy problems we described earlier are ones to which the intelligence community makes a substantial contribution by providing facts on foreign countries, evaluation of facts, estimates of intentions of foreign governments, warnings of possible foreign actions, and assessments of the consequences of possible actions by us. Over the last several decades the intelligence analytic function has been greatly increased in importance. Together with budget-oriented analysis, it is one of the two areas in the foreign affairs-national security area in which analysis has been most developed. But the analysis of the intelligence community has important limitations, some of which may be inherent.

These limitations result, in part, from CIA's detachment from policy--the very detachment which gives the CIA analyst his independence of view. But a better balance between policy involvement and detachment might be struck. If the intelligence analyst is unable to interact strongly with policymakers, especially in State, it is not easy for him to focus on the most relevant issues. (This limitation, of course, also applies to personnel in State's INR and the

Defense Intelligence Agency.) But for this greater degree of interaction to happen, an initiative must be taken by policymakers, especially in State, to bring the intelligence analysts more intimately into contact with them.

Another difficult problem in using the analysis of the intelligence community is distilling the good from the bad. In some areas there is by now a substantial record of analysis and prediction by intelligence analysts which suggests that, if their advice had been taken seriously by policymakers, some bad decisions might have been avoided. But how might policymakers have known which intelligence to take most seriously? There is no clear answer. Perhaps it would be worth a serious effort to explore the accuracy of expert forecasts, to attempt to determine the characteristics of both successful and unsuccessful predictions.

The analytical work of the intelligence community is vital. But can its value be increased? This question cannot be answered until we have a better understanding of the use that is made of intelligence analyses. Some of the questions that need to be addressed are these: How good, how timely, and how relevant have intelligence analyses been? How often has good analysis been done but not been acted upon? What seems to be the reason for neglect? Is it a failure to treat issues that are most important to the operators? If so, why have the operators not communicated their needs to the intelligence analysts? Or is it a bias on the part of operators against analytical inputs? Or is it something about the pressures of the decisionmaking environment? Or are there other explanations?

E. Other Agencies

The UNITED STATES INFORMATION AGENCY (USIA) is an operationally oriented organization largely comprising reporters, linguists, broadcasters, public relations men, and so forth. Analysis tends not to interest such specialists, and their input to policy is slight. Attempts have been made to evaluate the types of coverage provided by various media and to obtain better cost data for various activities by the application of PPBS, with some useful results.

The AGENCY FOR INTERNATIONAL DEVELOPMENT (AID) has perhaps progressed further with program analysis than any other foreign affairs agency apart from Defense. Many of AID's activities lend themselves to systematic, quantitative analysis. In its organization is an Office of Program and Policy Coordination (PPC), a central coordination, analysis and information staff whose function is to serve the Administrator. In the regional bureaus are development planning staffs whose principal function is to provide the Assistant Administrators with independent analysis. AID's activities have tended to attract people with an analytical orientation: economists, engineers, technical specialists of various types. Finally, AID has faced many difficulties, some inherent in its work abroad, some associated with its lack of support at home. Much analysis, though not in its most constructive form, has focused on finding program vulnerabilities and dealing with adversity.

It is hard to separate the difficulties of AID's problems from the shortcomings of its analysis. At times, AID has given too much attention to external resource constraints on economic growth and not enough to poor economic policies deeply rooted in the domestic politics of recipient countries. In other instances, AID has perhaps undertaken projects that were doomed to failure because they ran head on into traditional values, and AID's development analysis has frequently given insufficient attention to deepseated cultural factors. More often AID's programs have suffered from the lack of coherence in U.S. foreign policy--AID has too frequently found itself with a program in search of an objective.

Many agencies have a share in the formulation of international economic policy. The TREASURY DEPARTMENT takes the lead in the field of international economic policy. The Secretary of the Treasury is the U.S. Governor of the International Monetary Fund (IMF), the World Bank (IBRD), the Asia Development Bank (ADB), and the Inter-American Development Bank (IDB). Treasury Department preeminence in international financial matters dates back to the Bretton Woods Conference in 1944 and the establishment and Treasury Chairmanship of the National Advisory Council on International Monetary and Financial

Problems (NAC) by the Bretton Woods Act of 1945.³¹ The importance and scope of Treasury's authority in international financial matters has increased with the establishment of international development lending institutions (that is, IDB, IDA, and ADB). On international monetary issues, which have been prominent among U.S. foreign policy problems during the past several years, the Chairman of the FEDERAL RESERVE BOARD (in effect, the U.S. central banker) assumes an important share of foreign relations responsibility along with the Secretaries of Treasury and State.

State is only one of a half dozen agencies among which the responsibility for international trade policy formation is fragmented. The OFFICE OF THE SPECIAL TRADE REPRESENTATIVE (STR) was created in the Executive Office of the President for the purpose of negotiating the Kennedy Round. The SECRETARY OF COMMERCE is a representative of both the export promotion and protectionist interests. The TARIFF COMMISSION becomes involved in the latter class of problem. The DEPARTMENT OF AGRICULTURE is concerned with trade policy when U.S. agricultural produce is involved. And finally, when trade issues become balance-of-payments issues--as they frequently do--the Secretary of the Treasury must assume some responsibility for international trade policy.

³¹The NAC comprises the Secretaries of Treasury, State, and Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the President of the Export-Import Bank. The "old NAC" was abolished on Jan. 1, 1966, under the provisions of Reorganization Plan No. 4 of 1965, but a new NAC was established (changing "problems" in the title to "policies") by Executive Order No. 1/269. Although there was considerable internal debate regarding a larger role for the Secretary of State in the reorganization, Treasury's interest in retaining its bureaucratic prerogatives in international financial matters and State's distinct lack of eagerness in a jurisdictional controversy led to only a minor circumvention of the NAC charter. The most significant change in the NAC from an operational standpoint relieved the NAC Staff Committee from the responsibility--but not the right--to conduct a review of AID loans apart from that held in the Development Assistance Staff Committee. For a comparison of the original and present charters, see Committee on Foreign Relations, U.S. Senate, Committee on Foreign Affairs, U.S. House of Representatives, 90th Cong., 2d Sess., Legislation on Foreign Relations with Explanatory Notes (Washington: Government Printing Office, 1968), pp. 634-636, 644-645.

F. Overseas Missions

A large U.S. embassy is much more than an overseas extension of the State Department. It may house representatives of two dozen different U.S. government agencies. The total number of agencies with overseas programs is in the neighborhood of 40. But for our purposes, overseas missions fall into two groups: those in which there are sizable operating programs under the overall direction of the Ambassador and those in which there are not. (We exclude those operating activities of U.S. combat forces because of the severe limits to ambassadorial authority over these forces.) Where the United States has operating programs, the Ambassador has managerial responsibilities; where it does not, the Ambassador and his staff nevertheless have an important role in policy formation.

The Ambassador's authority over all U.S. Government activities in his country (except U.S. combat forces) is clear.³² But how the mission operates depends in part on how its performance is measured in Washington. But because of the inadequacies in Washington coordination and overview, what the field sees is many distinct "counterparts" in Washington, each with its own criteria for evaluating performance. This fact, plus the lack of experience in administration of many senior Foreign Service officers, tends to make for weak management control of the "country team."

Moreover, despite the fuzzy nature of much of what the mission deals with, it is hard to believe that many of the issues dealt with by ambassadors would not benefit from deeper knowledge, more data, and more systematic evaluation of objectives and alternatives than these issues often get. The reason is that they sometimes get very little thoughtful analysis at all. This seems to be true even in the management of some operating programs. With some important exceptions, operating programs tend to have a life of their own--to be run by the local agency representative without being integrated into an overall mission effort. And, of course, just as there is no overall foreign affairs budget in Washington, there is no "country budget" in the field.

³²President's [Kennedy] Memorandum of 27 May 1961 on "The Responsibilities of Chiefs of American Diplomatic Missions."

Approaches to Organizational Problems

Some actions of great promise have been taken by the Nixon administration to improve the analysis of foreign policy issues: the establishment of a strong central staff reporting to the President, the institution of a foreign affairs program analysis group within the NSC, the installation of a procedure for eliciting divergent views from among the various agencies. One area of major concern remains. It is the role and organization of the Department of State. As we have seen, the State Department plays an extremely important role in staffing missions and guiding their operations abroad, in generating and interpreting information, and in executing policies. Unless there are major changes in State, there are grounds for doubting the depth of the reforms now under way, and also their persistence when some key people leave office.

State's general country strategy orientation gives its Secretary his best grip on foreign policy formulation. To be sure, other major foreign affairs agencies (Defense, Treasury, Commerce, and CIA) all have some equivalent of the country desk organization, but none matches the depth and scope of the country resources to which State has access.³³ In addition to its own organization, State can draw upon the country-oriented U.S. Information Agency and Agency for International Development, which, though semi-autonomous, are nominally under the control of the Secretary of State. Because it is the focal point for communications with U.S. missions overseas, State also has the best operational channels for dealing with country problems.

³³ It is generally accepted that State has a better grip on broad country questions than other agencies, and more emphasis on country problems generally means more power for State. A principal objective of organizational changes prescribed by NSAM 341 (March 1966) was to improve State's interdepartmental leadership and coordination of country matters. To accomplish this, the desk officer was elevated to the position of country director where he would serve as "the single focus of responsibility for leadership and coordination of departmental and interdepartmental activities concerning his country or countries of assignment." See "Department of State Foreign Affairs Manual Circular 385, March 4, 1966," Department of State Newsletter, March 1966, No. 59.

The Secretary of State's hold on the global aspects of foreign policy is tenuous, at best. Treasury, Commerce, Agriculture, and other specialized agencies often play a more important role in international economic policy determinations than the Department of State. The principal institutional sources of advice to the President on national security policy are the Secretary of Defense and the Joint Chiefs of Staff. As noted earlier, the Secretary of Defense submits the annual force structure program to the Department of State for review and comment before it is sent to the President. However, the substantive input of State to defense policy has generally been rather small.

We do not wish to suggest that the responsibility for U.S. foreign policy--either the country or global aspects--should reside within the Department of State. Indeed, as we have suggested previously, this responsibility can reside only with the President. But many of the coordinating functions will fall to State, and the Secretary or some member of the Department will often be cast in a position, in effect, of exercising Presidential authority. Inevitably many important issues are going to be affected or decided within State, at the Secretary and Under Secretary level, at the regional Assistant Secretary of State level, or by desk officers, or in the field. This is so not because of deliberate pre-emption of Secretarial or Presidential authority, but by the ways events are interpreted and analyzed, hypotheses formed, data sought, and questions asked.

Therefore, it is of the first importance that the Secretary of State and his principal aides have available to them the effective analytical apparatus that they now lack. This point can hardly be overemphasized. We do not have a blueprint for such an apparatus, but some of its main features would seem to include the following:

- o Analytic staffs created to serve the five regional assistant secretaries. These staffs should include but not be limited to Foreign Service officers.

- o Stronger connections and interactions with the academic and research community to stimulate more relevant research in that community, to increase the flow of data and ideas to Government, and to help improve the training of people in the field of foreign affairs.

- o A program analysis and planning staff to assist the Secretary of State in his review of the foreign affairs budget discussed above. This staff might incorporate the existing Policy Planning Council. It should focus on global issues that cannot be adequately dealt with at the country or regional level, and on any other matters on which the Secretary wants an independent analysis.

- o Increased opportunities for research and specialized education by Foreign Service officers.

IV. CONCLUSION

Foreign affairs is indeed "complicated and disorderly," as Schelling suggests. Analysis can make it no less complicated, and analysis that attempts to do so is probably more a disservice than a service. But we are convinced that analysis can make the U.S. conduct of foreign affairs more orderly.

Order is, of course, only a proximate objective, and it is of little value unless it enables the policymaker to cope better with complexity. Can policy analysis in international affairs perform this function? We believe it can, if it is not only orderly but comprehensive. Too often the decisionmaker has been shown only a small part of the problem. Or he has not been made aware of the full range of relevant options. Analysis that "assumes away" part of the problem, without saying so, is no better than intuition that overlooks it. Analysts should strive to deal with a problem comprehensively and systematically, but they should be equally comprehensive and systematic in pointing out the limitations of their work.

The foreign affairs community will not be able to develop a sophisticated analytic capability quickly. The application of PPBS to the Department of Defense in the 1960s benefited by analytic know-how acquired in the 1950s. Analysis in foreign affairs does not have to start from scratch, but it will suffer from past years of relative inattention. Some--perhaps many--early products will be unsophisticated. More than a few will be bad.

There are some who doubt that foreign policy decisionmakers would use good analysis if it were available. Say's law--that supply creates its own demand--may not always apply in the case of analysis. Certainly organizational innovation within the foreign affairs community can only make analysis available to the policymaker; it cannot make him use it. However, we are reasonably confident that if much is available, some will be used, and that those who use it wisely will find it of value.

One lesson gained from the application of PPBS to the entire Federal budget is that there is great potential for misunderstanding at all levels of the Government. In particular analysis was often taken to be synonymous with quantification. It is true that analysis thrives on and often involves quantification, but analysis that either excludes or attempts to quantify the unquantifiable is wrong analysis.

Finally, we should like to say a word about the value of policy analysis in international affairs outside the small foreign affairs community within the executive branch. Most analytic papers inevitably move in a closed circuit among analysts, operators, and decisionmakers. The process is a continuing one with many revisions, formulations, and reformulations, aimed mainly at better articulation of U.S. foreign policy within the executive branch. But if the executive branch can better articulate foreign policy internally, it can also better articulate foreign policy to the Congress and the Nation at large. A clearer, more widespread understanding of what U.S. policy seeks to accomplish, and why, can only serve to raise the level of debate as to whether, in the broadest sense, the benefits justify the costs.